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April 8, 1994



**Building The
Wireless Future™**

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Michael F. Altschul
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Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

RECEIVED

MAY 23 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: *Ex Parte* Presentation
GEN Docket No. 90-314

Dear Mr. Caton:

Today, May 23, 1994, a corrected copy of the May 20, 1994 letter to Chairman Reed E. Hundt, was submitted by Thomas E. Wheeler, President and CEO of the Cellular Telecommunications Industry Association.

If there are any questions concerning this submission, please contact the undersigned.

Sincerely,

Michael F. Altschul

Attachment

cc: Chairman Hundt

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May 20, 1994

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

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Re: General Docket No. 90-314
Personal Communications Services

Thomas E. Wheeler
President / CEO

Dear Chairman Hundt:

I must register the alarm of the wireless telecommunications industry over the blatant last minute spectrum grab being proposed by the Mobile Satellite Service Industry Spectrum Coalition (MSS Coalition). At this late stage in the personal communications services (PCS) rulemaking -- and without any procedural notice -- the MSS Coalition, led by Comsat, is urging the Commission to repudiate the PCS spectrum allocation decision made last September. Commission acquiescence would delay both licensed and unlicensed PCS providers' access to spectrum -- which, in reality, is of questionable, if any, use to MSS in the near term. Acceptance of the MSS proposals would also start a cascading effect through the allocation table involving broadcasters access to spectrum for ENG use as well as MDS spectrum for wireless cable operators.

The MSS Coalition and its members have had a virtual "Plan du Jour" which they have been floating. At the root of all these plans, are "Chicken Little" claims about WARC-92 MSS allocations which today are unusable (because the non-PCS half is occupied by auxiliary broadcast services).

Any of the MSS Coalition's scenarios for reconstitution of the PCS allocation plan will throw the PCS process into greater turmoil and uncertainty. Licensing will be further delayed by further recommendation of new allocations. Manufacturers are likely to halt their design and fabrication efforts until they know what spectrum will be available. The investment community may also be spooked, further destabilizing the auction and business plans of the perspective PCS licensees. Surely, you recall the clear message communicated at the PCS roundtable discussions last month: avoid additional delay in PCS licensing at all cost.

The MSS Coalition's plan would additionally result in less spectrum to auction, and thus, smaller auction proceeds for taxpayers. As you know, the MSS industry is working hard to avoid mutual exclusivity in licensing. Assuming they are able to achieve that goal, MSS licenses will not pay for their spectrum. The MSS Coalition's plan would, thus, be a double whammy to the U.S. Treasury.

Letter to the Honorable Reed E. Hundt
May 20, 1994
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The multiple scenarios for swapping unlicensed and licensed allocations would do serious damage to the viability of unlicensed PCS operations due to the greater number of incumbent microwave links that must be removed from the upper PCS spectrum bands. While the smaller channels utilized within those bands may permit some sharing between unlicensed PCS and incumbent microwave operations, ultimately, the microwave links would have to be moved if unlicensed services are to reach their maximum potential. For providers of "nomadic" unlicensed PCS services, who assert that their spectrum must be totally clear nationwide, the greater number of microwave links in the upper band would seem to constitute a fatal blow.

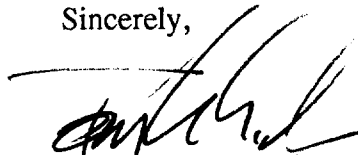
The elimination of the upper band allocation to PCS, and the availability of new spectrum for cellular companies within their existing territories, would again be a significant alteration of the current PCS rules. Such action by the Commission would also destroy the asserted basis for the creation of the huge 30 MHz/Major Trading Area licenses in the lower PCS Spectrum band. To give new wireless entrants such huge amounts of spectrum and territory while foreclosing cellular companies from additional spectrum to expand their operations and deliver new services would be grossly unfair and arbitrary. Any such change would result in vehement opposition by CTIA and its membership.

As referenced previously, any of the MSS Coalition's various plan are specious because its PCS spectrum is paired with spectrum currently utilized by television broadcasters' electronic news gathering operations. This spectrum is also not usable for international MSS operations until January 1, 2005. If MSS is to be the global service its proponents claim the restoration of the spectrum at issue is of no utility to MSS until broadcasters are moved and, even then, not for more than a decade, by international agreement.

I urge you to carefully consider the consequences of an allocation which is so encumbered to such speculative interests when the cost is harm to ongoing and imminent telecommunication services.

The clear choice is to proceed with PCS and address the needs of MSS at a later time and perhaps with additional spectrum soon to be with the Commission's jurisdiction.

Sincerely,



Thomas E. Wheeler